

16 February 1972

Economic and Military Reconstruction
in North Vietnam

This periodic report reviews economic developments within North Vietnam, including the receipt of economic and military aid and the construction of military facilities. These developments are selected on the basis of their relevance to North Vietnam's ability to continue supporting the war in Indochina and to restore the economy, and thus to their possible effect on the country's desire or need to negotiate a settlement of the current conflict.

25X1

25X1

25X1

25X1
25X1

[REDACTED]

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

Military Related Construction

1. Construction continues on the 8 mile rail link between Vinh and Duc Tho, the northern terminus of the light-capacity rail line that runs southward through the panhandle of North Vietnam. Of the 25 main bridge crossings on the light-capacity line, four original and five bypass bridges were rebuilt and three completely new bridges were erected between October 1970 and November 1971. Concurrently a major rail bridge is nearing completion at Duc Tho. When this bridge is finished, a nearby rail ferry will be the last obstacle to through rail traffic from Hanoi to storage areas that serve the logistical routes into southern Laos. In addition to the rail line improvement, two highway bridges located on Route 15 less than 20 miles from Mu Gia Pass were completed during December.

2. A new airfield in the early stages of construction was [REDACTED] only 50 miles north of the DMZ and 18 miles west of the port of Quang Khe. When last observed [REDACTED] the new runway's dimensions were about 5,600 by 125 feet. The relatively short runway suggests that for the time being the field will be used primarily as a jet recovery or emergency airstrip but the runway could be extended before the field is completed.

3. In December and January, all other airfields in the Panhandle except that at Dong Hoi were maintained in serviceable condition most of the time. Bomb craters at the Vinh and Quan

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

[REDACTED]

25X1

Lang airfields inflicted by the US bombing in January 1972 were quickly repaired. Dong Hoi was made unserviceable by US attacks in December 1971 and remained so during January; no evidence of bomb crater repair was noted [redacted] and work on the extension appeared to be curtailed.

25X1

Manpower

4. North Vietnam inducted about 150,000 men during 1971.

[redacted]
indicate recruitment campaigns were carried out in the winter, spring, and summer. Most of the 1971 draftees are probably scheduled for training and infiltration during the current dry season and are providing the bulk of the present buildup of forces outside North Vietnam. The manpower reserve of physically-fit males between the ages of 15 and 39 declined to about 1.3 million. This compares with an estimated pool of 2.0 million at the beginning of 1965.

Industry

5. Notable progress was made in industrial construction during the past year. Electric power capacity overall increased

25X1

[redacted]
level which will give a much needed reserve and will permit the shutdown of generating equipment at plants in need of repair.

25X1

25X1D1A

25X1

Extensive reconstruction elsewhere in the power industry should further improve power supply in 1972. Reconstruction of the Haiphong cement plant was basically completed toward year's end after almost four years of work. Production of fertilizers -- lagging behind pre-war levels -- should begin to increase rapidly as a result of the expansion of the Phu Tho superphosphate plant, and renovation of two smaller fertilizer plants at Van Dien and Hai Duong. In addition, reconstruction work on the Bac Giang fertilizer plant got underway in the fall and it could be operating within this year. Expansion of apatite production facilities at Lao Cai [REDACTED] The Nam Dinh textile plant appeared to be essentially restored although the plant's machinery probably has not yet been installed.

25X1

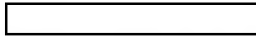
6. A major expansion of the Hanoi Machine Tool and Engineering Equipment Plant is underway, the purpose of which is not known. At the Thai Nguyen iron and steel combine two of the three blast furnaces are in operation [REDACTED]

25X1

[REDACTED] The rather extensive work remaining at the steel complex probably will require another two years to complete.

7. Although production results from these various construction achievements may in some instances be months away, considerable increases in certain industrial output can be expected in 1972.

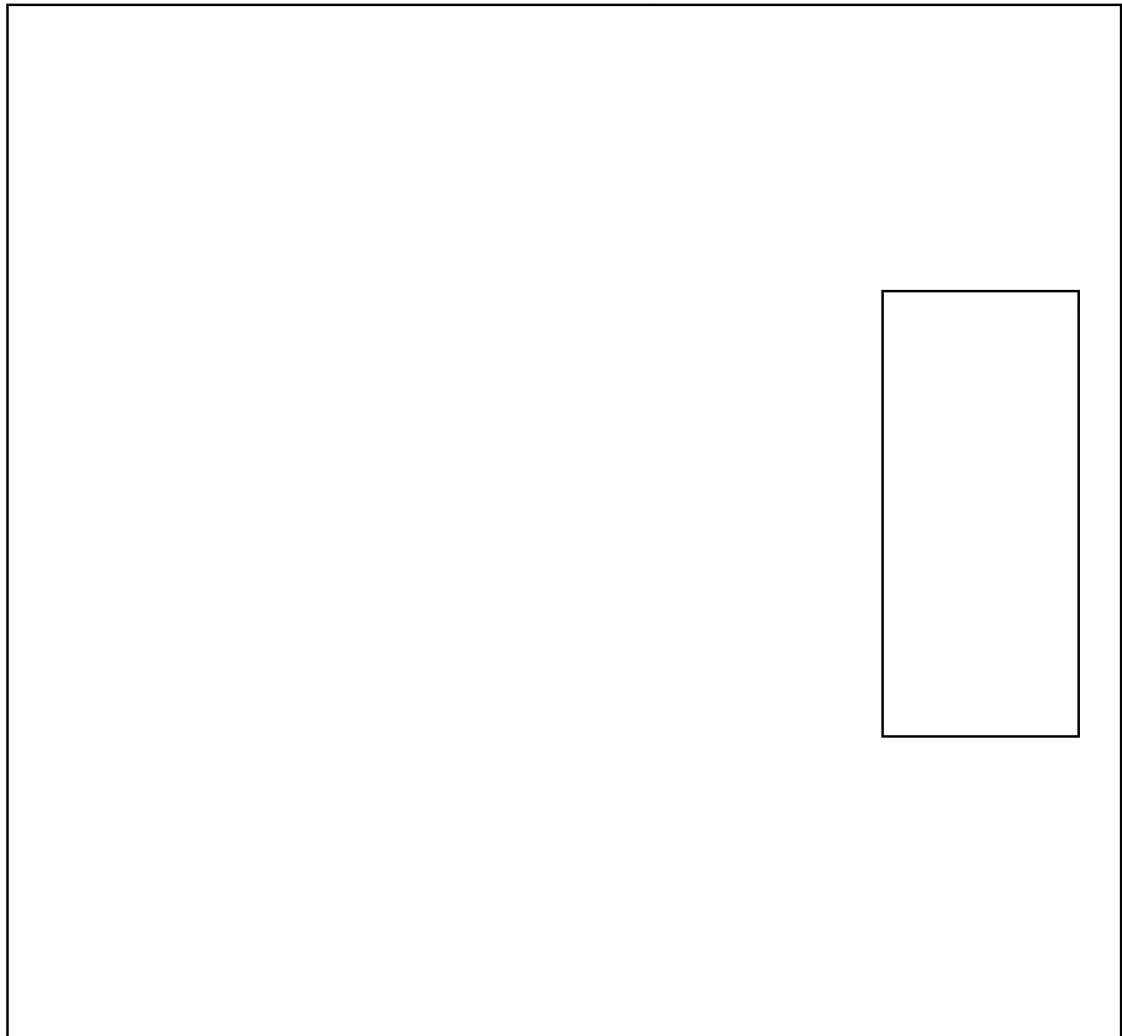
25X1



25X1

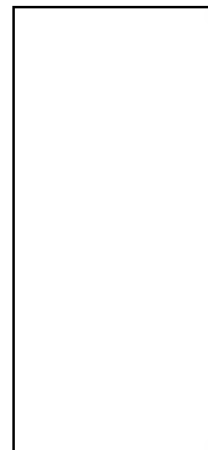
Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

In fact the progress observed during 1971 may explain announced plans for unusually high production increases in the current year -- electricity 24%, coal 25%, engineering and metallurgy 54.6%, and chemicals 36%, fertilizer 69%.

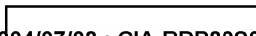


25X1

25X1



Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8



25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

Next 2 Page(s) In Document Exempt

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

15. Forty-five ships, nine less than in December, arrived at North Vietnamese ports from abroad during January. Congestion among dry cargo ships remained a problem in Haiphong. An average of 24 foreign dry cargo ships were in port per day (only 13 ships can be unloaded at any one time). The average layover time during January for departing dry cargo ships rose from 18 to 22 days, partially reflecting earlier congestion. At least one Soviet vessel, enroute to Haiphong from Malaysia, was diverted to Hong Kong because of the congestion.

16. Two large tanks were completed in late December or early January at Haiphong's petroleum storage complex, bringing the site's total capacity to over 20,000 tons, compared to 13,100 tons a year ago. Another tank should be finished soon. [REDACTED]

25X1

[REDACTED] the new dual pipeline under construction from Bai Chai (near Hon Gai) toward Hanoi has been extended to within 30 miles of the capital. However, additional work must be done even on the section where pipe has already been laid to make that portion serviceable. Work was also observed on a quay along the shore at the line's eastern end, and dredging was noted in nearby waters. Another pipeline under construction between Hanoi and Vinh neared completion in January. When it and the Bai Chai line are completed, North Vietnam will be able to eliminate the inefficient southward shuttle of petroleum by coastal vessels from Haiphong to the Vinh area, the northern terminal

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

of the pipeline network extending into the Laotian and North Vietnamese Panhandles.

Conclusions

17. Construction activity in the southern part of North Vietnam continues to enhance the country's military capabilities. Completion of rail transport installations south of Vinh makes unobstructed rail traffic from Hanoi to the Panhandle a near-term probability which will facilitate the movement of both men and materials to the Laos infiltration corridors. Moreover, the new airfield under construction only 50 miles from the DMZ and observed rapid repair of recent bomb damage to other southern airfields show a determination to sustain air defense capabilities in the region.

18. The high level of military induction during 1971 reduced North Vietnam's manpower reserves slightly but the reserve remains large.

19. Advances in industrial construction in 1971 appear to set the stage for rapid industrial growth during the current year. In the course of some 12 months a condition of serious power shortages changed to a surplus, with further improvement in prospect. Significant increases also are expected in output of cement, fertilizer, machine tools, and textiles, each of which fills an essential economic need.

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

25X1

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8

Next 2 Page(s) In Document Exempt

Approved For Release 2004/07/08 : CIA-RDP82S00205R000100190006-8